



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2017
OF THE CONDITION AND AFFAIRS OF THE

Physicians Health Plan

NAIC Group Code

3408

3408

(Current)

(Prior)

NAIC Company Code

95849

Employer's ID Number

38-2356288

Organized under the Laws of

Michigan

, State of Domicile or Port of Entry

MI

Country of Domicile

United States of America

Licensed as business type:

Health Maintenance Organization

Is HMO Federally Qualified? Yes [☐] No [☒]

Incorporated/Organized

12/18/1980

Commenced Business

10/01/1981

Statutory Home Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Main Administrative Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Mail Address

1400 East Michigan Avenue

(Street and Number or P.O. Box)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Internet Website Address

www.phpmichigan.com

Statutory Statement Contact

Erin Flood

(Name)

517-364-8400

(Area Code) (Telephone Number)

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(E-mail Address)

517-364-8407

(FAX Number)

OFFICERS

President	Dennis J. Reese	Chief Financial Officer and Chief Operations Officer	George Schneider
Secretary and Treasurer	Thomas Hofman PhD	Chairperson	James Butler III

OTHER

DIRECTORS OR TRUSTEES		
Diana Rodriguez Algra	James Butler III	April Clobes
Merritta Proctor	Timothy Hodge DO	Thomas Hofman PhD
Shalimar Maynard	David Kaufman DO	James Tischler
Brittany Bogan	Deborah Muchmore	Dennis Swan
Paula Reichle	Dennis J. Reese	

State of

Michigan

SS:

County of

Ingham

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dennis J. Reese	Thomas Hofman, PhD	George Schneider
President	Secretary and Treasurer	Chief Financial Officer and Chief Operations Officer

Subscribed and sworn to before me this

 day of

a. Is this an original filing? Yes [☒] No [☐]
b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	0	0	0	0
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	39,864,177	931,415	38,932,762	53,531,364
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	3,033,501	0	3,033,501	1,888,509
4.2 Properties held for the production of income (less \$0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(4,210,016) , Schedule E - Part 1), cash equivalents (\$41,963,654 , Schedule E - Part 2) and short-term investments (\$0 , Schedule DA)	37,753,639	0	37,753,639	29,821,782
6. Contract loans, (including \$0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	80,651,317	931,415	79,719,902	85,241,654
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	23,824	0	23,824	7,975
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,342,463	13,793	1,328,670	496,935
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums (\$0) and contracts subject to redetermination (\$0)	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	931,935
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	2,938,083	2,143,412	794,672	1,629,277
21. Furniture and equipment, including health care delivery assets (\$0)	970,625	970,625	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	240,880	0	240,880	1,052,915
24. Health care (\$1,287,800) and other amounts receivable	3,835,128	2,468,404	1,366,724	2,554,393
25. Aggregate write-ins for other than invested assets	1,604,841	1,604,841	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	91,607,162	8,132,490	83,474,672	91,915,085
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	91,607,162	8,132,490	83,474,672	91,915,085
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Assets	1,604,841	1,604,841	0	0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,604,841	1,604,841	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$0 reinsurance ceded)	14,519,984	805,488	15,325,473	16,253,473
2. Accrued medical incentive pool and bonus amounts	1,222,750	0	1,222,750	464,000
3. Unpaid claims adjustment expenses	275,389	0	275,389	302,867
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act	0	0	0	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	3,240,998	0	3,240,998	2,351,430
9. General expenses due or accrued	2,180,625	0	2,180,625	3,414,378
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	16,680
12. Amounts withheld or retained for the account of others	9,824,131	0	9,824,131	3,623,723
13. Remittances and items not allocated	0	0	0	0
14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	1,064,662	0	1,064,662	3,388,273
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified (\$0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	0	0	0	0
23. Aggregate write-ins for other liabilities (including \$0 current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	32,328,539	805,488	33,134,027	29,814,824
25. Aggregate write-ins for special surplus funds	XXX	XXX	1,614,222	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	0	0
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	48,726,422	62,100,261
32. Less treasury stock, at cost: 32.1 .....0 shares common (value included in Line 26 \$0)	XXX	XXX	0	0
32.2 .....0 shares preferred (value included in Line 27 \$0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	50,340,644	62,100,261
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	83,474,671	91,915,085
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. Estimated subsequent year assessment for ACA Section 9010 fee	XXX	XXX	1,614,222	0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	1,614,222	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	444,858	434,859
2. Net premium income (including \$0 non-health premium income)	XXX	182,440,224	178,634,041
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of \$0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	182,440,224	178,634,041
Hospital and Medical:			
9. Hospital/medical benefits	0	95,280,760	100,275,030
10. Other professional services	0	8,255,254	7,392,797
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	16,401,425	14,567,354
13. Prescription drugs	0	36,504,094	36,847,127
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	1,283,938	501,097
16. Subtotal (Lines 9 to 15)	0	157,725,471	159,583,404
Less:			
17. Net reinsurance recoveries	0	258,477	1,259,867
18. Total hospital and medical (Lines 16 minus 17)	0	157,466,994	158,323,537
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$3,503,269 cost containment expenses	0	5,106,806	5,482,481
21. General administrative expenses	0	15,908,857	17,381,746
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	178,482,657	181,187,764
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	3,957,567	(2,553,723)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	1,941,248	1,449,919
26. Net realized capital gains (losses) less capital gains tax of \$0	0	3,404,706	400,437
27. Net investment gains (losses) (Lines 25 plus 26)	0	5,345,954	1,850,355
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	(4,193)	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	9,299,327	(703,368)
31. Federal and foreign income taxes incurred	XXX	0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	9,299,327	(703,368)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. Loss on disposal of asset	0	(4,193)	0
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	(4,193)	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	62,100,262	58,178,084
34. Net income or (loss) from Line 32	9,299,327	(703,368)
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$0	1,702,682	4,073,085
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets	(2,761,625)	552,461
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....	0	0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	(20,000,000)	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(11,759,615)	3,922,178
49. Capital and surplus end of reporting period (Line 33 plus 48)	50,340,647	62,100,262
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	182,503,734	179,764,744
2. Net investment income	1,925,399	1,443,920
3. Miscellaneous income	(60,435)	3,437,180
4. Total (Lines 1 through 3)	184,368,698	184,645,844
5. Benefit and loss related payments	157,167,270	164,629,571
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	22,281,087	29,081,019
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	179,448,358	193,710,591
11. Net cash from operations (Line 4 minus Line 10)	4,920,340	(9,064,747)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	22,329,199	3,252,032
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	4
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	22,329,199	3,252,036
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	3,105,956	2,666,062
13.3 Mortgage loans	0	0
13.4 Real estate	1,355,019	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	4,460,975	2,666,062
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	17,868,224	585,974
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	20,000,000	0
16.6 Other cash provided (applied)	5,143,292	7,015,526
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(14,856,708)	7,015,526
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	7,931,856	(1,463,247)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	29,821,782	31,285,029
19.2 End of year (Line 18 plus Line 19.1)	37,753,638	29,821,782

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	182,440,224	182,440,224	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	182,440,224	182,440,224	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	95,280,760	95,231,137	0	0	0	0	0	49,623	0	XXX
9. Other professional services	8,255,254	8,276,109	0	0	0	0	0	(20,855)	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	16,401,425	16,401,425	0	0	0	0	0	0	0	XXX
12. Prescription drugs	36,504,094	36,486,752	0	0	0	0	0	17,342	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	1,283,938	1,283,938	0	0	0	0	0	0	0	XXX
15. Subtotal (Lines 8 to 14)	157,725,471	157,679,361	0	0	0	0	0	46,110	0	XXX
16. Net reinsurance recoveries	258,477	258,477	0	0	0	0	0	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	157,466,994	157,420,884	0	0	0	0	0	46,110	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$3,503,269 cost containment expenses	5,106,806	5,106,806	0	0	0	0	0	0	0	0
20. General administrative expenses	15,908,857	15,908,857	0	0	0	0	0	0	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	178,482,657	178,436,547	0	0	0	0	0	46,110	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	3,957,567	4,003,677	0	0	0	0	0	(46,110)	0	0
DETAILS OF WRITE-INS										XXX
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	183,734,848	0	1,294,624	182,440,224
2. Medicare Supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0
6. Title XVIII - Medicare	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	183,734,848	0	1,294,624	182,440,224
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	183,734,848	0	1,294,624	182,440,224

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	158,125,994	158,104,691	.0	.0	.0	.0	.0	21,303	.0	.0
1.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded	1,483,912	1,483,912	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	156,642,082	156,620,779	.0	.0	.0	.0	.0	21,303	.0	.0
2. Paid medical incentive pools and bonuses	525,188	525,188	.0	.0	.0	.0	.0	.0	.0	.0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	15,325,473	15,325,473	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	15,325,473	15,325,473	.0	.0	.0	.0	.0	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	1,222,750	1,222,750	.0	.0	.0	.0	.0	.0	.0	.0
6. Net healthcare receivables (a)	462,961	462,961	.0	.0	.0	.0	.0	.0	.0	.0
7. Amounts recoverable from reinsurers December 31, current year .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	16,546,973	16,496,973	.0	.0	.0	.0	.0	50,000	.0	.0
8.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	293,500	293,500	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net	16,253,473	16,203,473	.0	.0	.0	.0	.0	50,000	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
9.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	464,000	464,000	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	931,935	931,935	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	156,441,533	156,470,230	.0	.0	.0	.0	.0	(28,697)	.0	.0
12.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	258,477	258,477	0	0	0	0	0	0	0	0
12.4 Net	156,183,056	156,211,753	0	0	0	0	0	(28,697)	0	0
13. Incurred medical incentive pools and bonuses	1,283,938	1,283,938	0	0	0	0	0	0	0	0

(a) Excludes \$.0 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	1,158,991	1,158,991	.0	.0	.0	.0	.0	.0	.0	.0
1.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1.4 Net	1,158,991	1,158,991	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:										
2.1 Direct	14,166,482	14,166,482	.0	.0	.0	.0	.0	.0	.0	.0
2.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2.4 Net	14,166,482	14,166,482	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:										
4.1 Direct	15,325,473	15,325,473	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	15,325,473	15,325,473	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	12,495,551	149,576,361	81,779	15,243,694	12,577,330	16,203,473
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	21,303	0	0	0	21,303	50,000
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	12,516,854	149,576,361	81,779	15,243,694	12,598,633	16,253,473
10. Healthcare receivables (a)	2,639,814	1,879,384	131,591	3,624,614	2,771,404	3,293,243
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	525,188	0	0	1,222,750	525,188	464,000
13. Totals (Lines 9 - 10 + 11 + 12)	10,402,229	147,696,977	(49,812)	12,841,830	10,352,417	13,424,230

(a) Excludes \$0 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	21,945	22,014	21,997	21,997	21,997
2.	2013	128,312	143,383	143,445	143,484	143,484
3.	2014	XXX	130,179	145,109	145,299	145,303
4.	2015	XXX	XXX	137,623	158,706	158,799
5.	2016	XXX	XXX	XXX	148,352	161,297
6.	2017	XXX	XXX	XXX	XXX	149,576

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	21,945	22,014	21,997	21,997	21,997
2.	2013	128,312	143,383	143,445	143,484	143,484
3.	2014	XXX	130,179	145,109	145,299	145,303
4.	2015	XXX	XXX	137,623	158,706	158,799
5.	2016	XXX	XXX	XXX	148,352	161,379
6.	2017	XXX	XXX	XXX	XXX	166,043

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2013	159,280	143,484	3,710	2.6	147,194	92.4	0	0	147,194	92.4
2.	2014	161,680	145,303	3,849	2.6	149,152	92.3	0	0	149,152	92.3
3.	2015	167,705	158,799	5,022	3.2	163,821	97.7	0	0	163,821	97.7
4.	2016	180,308	161,297	5,557	3.4	166,854	92.5	82	0	166,936	92.6
5.	2017	183,735	149,576	5,134	3.4	154,711	84.2	16,466	275	171,452	93.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	2,522	2,522	2,522	2,522	2,522
2.	2013	1,913	2,123	2,126	2,126	2,126
3.	2014	XXX	38	38	38	38
4.	2015	XXX	XXX	0	0	0
5.	2016	XXX	XXX	XXX	0	0
6.	2017	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	2,522	2,522	2,522	2,522	2,522
2.	2013	1,913	2,123	2,126	2,126	2,126
3.	2014	XXX	38	38	38	38
4.	2015	XXX	XXX	0	0	0
5.	2016	XXX	XXX	XXX	0	0
6.	2017	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013	1,692	2,126	47	2.2	2,173	128.4	0	0	2,173	128.4
2. 2014	50	38	45	118.4	83	166.0	0	0	83	166.0
3. 2015	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2016	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	2,583	2,941	2,940	2,940	2,940
2.	2013	45,440	49,260	49,501	49,540	49,540
3.	2014	XXX	52,297	58,889	59,116	59,116
4.	2015	XXX	XXX	67,158	74,637	74,658
5.	2016	XXX	XXX	XXX	22	7,812
6.	2017	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	2,583	2,941	2,940	2,940	2,940
2.	2013	45,440	49,260	49,501	49,540	49,540
3.	2014	XXX	52,297	58,889	59,116	59,116
4.	2015	XXX	XXX	67,158	74,637	74,658
5.	2016	XXX	XXX	XXX	72	7,812
6.	2017	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013	54,601	49,540	939	1.9	50,479	92.5	0	0	50,479	92.5
2. 2014	65,968	59,116	1,980	3.3	61,096	92.6	0	0	61,096	92.6
3. 2015	86,266	74,658	3,151	4.2	77,809	90.2	0	0	77,809	90.2
4. 2016	1,191	7,812	120	1.5	7,932	666.3	0	0	7,932	666.3
5. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	51,262	51,262	51,262	51,262	51,262
2.	2013	37,038	37,571	37,572	37,572	37,572
3.	2014	XXX	0	0	0	0
4.	2015	XXX	XXX	0	0	0
5.	2016	XXX	XXX	XXX	0	0
6.	2017	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	51,262	51,262	51,262	51,262	51,262
2.	2013	37,038	37,571	37,572	37,572	37,572
3.	2014	XXX	0	0	0	0
4.	2015	XXX	XXX	0	0	0
5.	2016	XXX	XXX	XXX	0	0
6.	2017	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013	3,857	37,572	111	0.3	37,683	977.0	0	0	37,683	977.0
2. 2014	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2015	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2016	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	78,312	78,739	78,721	78,721	78,721
2.	2013	212,703	232,337	232,644	232,722	232,722
3.	2014	XXX	182,514	204,036	204,453	204,457
4.	2015	XXX	XXX	204,781	233,343	233,457
5.	2016	XXX	XXX	XXX	148,374	169,109
6.	2017	XXX	XXX	XXX	XXX	149,576

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	78,312	78,739	78,721	78,721	78,721
2.	2013	212,703	232,337	232,644	232,722	232,722
3.	2014	XXX	182,514	204,036	204,453	204,457
4.	2015	XXX	XXX	204,781	233,343	233,457
5.	2016	XXX	XXX	XXX	148,424	169,190
6.	2017	XXX	XXX	XXX	XXX	166,043

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2013	219,430	232,722	4,807	2.1	237,529	108.2	0	0	237,529	108.2
2. 2014	227,698	204,457	5,874	2.9	210,331	92.4	0	0	210,331	92.4
3. 2015	253,971	233,457	8,173	3.5	241,630	95.1	0	0	241,630	95.1
4. 2016	181,499	169,109	5,677	3.4	174,786	96.3	82	0	174,867	96.3
5. 2017	183,735	149,576	5,134	3.4	154,711	84.2	16,466	275	171,452	93.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$) for investment income									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net)(Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net)(Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$0 for occupancy of own building)	113,665	52,027	516,168	0	681,859
2. Salary, wages and other benefits	1,115,733	510,700	5,066,706	0	6,693,138
3. Commissions (less \$0 ceded plus \$0 assumed)	302,555	138,487	1,373,948	0	1,814,990
4. Legal fees and expenses	33	15	148	0	196
5. Certifications and accreditation fees	18,862	8,633	85,654	0	113,149
6. Auditing, actuarial and other consulting services	174,014	79,651	790,224	0	1,043,889
7. Traveling expenses	0	0	0	0	0
8. Marketing and advertising	44,744	20,480	203,189	0	268,413
9. Postage, express and telephone	20,043	9,174	91,019	0	120,236
10. Printing and office supplies	86,675	39,673	393,605	0	519,953
11. Occupancy, depreciation and amortization	248,761	113,864	1,129,660	0	1,492,285
12. Equipment	70	32	316	0	417
13. Cost or depreciation of EDP equipment and software	0	0	0	0	0
14. Outsourced services including EDP, claims, and other services	827,679	378,850	3,758,612	0	4,965,141
15. Boards, bureaus and association fees	411	188	1,865	0	2,464
16. Insurance, except on real estate	11,099	5,080	50,400	0	66,579
17. Collection and bank service charges	29,420	13,466	133,598	0	176,484
18. Group service and administration fees	135,431	61,990	615,011	0	812,432
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	8,156	3,733	37,039	0	48,929
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	268,541	122,918	1,219,482	0	1,610,941
23.2 State premium taxes	0	0	0	0	0
23.3 Regulatory authority licenses and fees	16,518	7,561	75,010	0	99,088
23.4 Payroll taxes	76,634	35,078	348,008	0	459,720
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	142,088	142,088
25. Aggregate write-ins for expenses	4,227	1,935	19,197	0	25,359
26. Total expenses incurred (Lines 1 to 25)	3,503,269	1,603,537	15,908,857	142,088	(a) .....21,157,751
27. Less expenses unpaid December 31, current year ..	188,917	86,472	2,180,625	0	2,456,014
28. Add expenses unpaid December 31, prior year	207,767	95,100	3,414,378	0	3,717,246
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,522,119	1,612,165	17,142,611	142,088	22,418,983
DETAILS OF WRITE-INS					
2501. Other	4,227	1,935	19,197	0	25,359
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	4,227	1,935	19,197	0	25,359

(a) Includes management fees of \$0 to affiliates and \$0 to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a) .....0	.....0
1.1	Bonds exempt from U.S. tax	(a) .....0	.....0
1.2	Other bonds (unaffiliated)	(a) .....0	.....0
1.3	Bonds of affiliates	(a) .....0	.....0
2.1	Preferred stocks (unaffiliated)	(b) .....0	.....0
2.11	Preferred stocks of affiliates	(b) .....0	.....0
2.2	Common stocks (unaffiliated) .....	.....1,808,085	.....1,808,085
2.21	Common stocks of affiliates .....	.....0	.....0
3.	Mortgage loans	(c) .....0	.....0
4.	Real estate	(d) .....0	.....0
5	Contract Loans .....	.....0	.....0
6	Cash, cash equivalents and short-term investments	(e) .....291,099	.....275,251
7	Derivative instruments	(f) .....0	.....0
8.	Other invested assets .....	.....0	.....0
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	.....2,099,184	.....2,083,336
11.	Investment expenses		(g) .....142,088
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) .....0
13.	Interest expense		(h) .....0
14.	Depreciation on real estate and other invested assets		(i) .....0
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....142,088
17.	Net investment income (Line 10 minus Line 16)		.....1,941,248
DETAILS OF WRITE-INS			
0901.	.....	
0902.	.....	
0903.	.....	
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	.....0	.....0
1501.	.....	
1502.	.....	
1503.	.....	
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		.....0

- (a) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (b) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued dividends on purchases.
- (c) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (d) Includes \$0 for company's occupancy of its own buildings; and excludes \$0 interest on encumbrances.
- (e) Includes \$0 accrual of discount less \$0 amortization of premium and less \$0 paid for accrued interest on purchases.
- (f) Includes \$0 accrual of discount less \$0 amortization of premium.
- (g) Includes \$.0 investment expenses and \$0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$0 interest on surplus notes and \$0 interest on capital notes.
- (i) Includes \$0 depreciation on real estate and \$0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....0	.....0	.....0	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....0	.....0	.....0	.....0	.....0
1.2	Other bonds (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....3,404,707	.....0	.....3,404,707	.....78,087	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....1,627,584	.....0
3.	Mortgage loans .....	.....0	.....0	.....0	.....0	.....0
4.	Real estate .....	.....0	.....0	.....0	.....0	.....0
5.	Contract loans .....	.....0	.....0	.....0	.....0	.....0
6.	Cash, cash equivalents and short-term investments .....	.....0	.....0	.....0	.....(2,991)	.....0
7.	Derivative instruments .....	.....0	.....0	.....0	.....0	.....0
8.	Other invested assets .....	.....0	.....0	.....0	.....0	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	.....3,404,707	.....0	.....3,404,707	.....1,702,680	.....0
DETAILS OF WRITE-INS						
0901.	.....				
0902.	.....				
0903.	.....				
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	.....0	.....0	.....0	.....0	.....0

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	931,415	445,679	(485,736)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens.....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives (Schedule DB)	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	931,415	445,679	(485,736)
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	13,793	36,150	22,357
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	2,143,412	2,996,269	852,857
21. Furniture and equipment, including health care delivery assets	970,625	1,845	(968,780)
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivable from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	2,468,404	760,330	(1,708,074)
25. Aggregate write-ins for other than invested assets	1,604,841	1,130,592	(474,249)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	8,132,490	5,370,865	(2,761,625)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	8,132,490	5,370,865	(2,761,625)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaids	1,604,841	1,130,592	(474,249)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,604,841	1,130,592	(474,249)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	36,158	39,366	36,966	36,791	34,779	444,858
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	0	0	0	0	0	0
4. Point of Service	0	0	0	0	0	0
5. Indemnity Only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	36,158	39,366	36,966	36,791	34,779	444,858
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

NOTE 1
Summary of Significant Accounting Policies and Going Concern
1.Summary of Significant Accounting Policies and Going Concern
A.Accounting Practices

	SSAP #	F/S Page	F/S Line #	2017	2016
NET INCOME					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	9,299,327	(703,368)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	9,299,327	(703,368)
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	50,340,644	62,100,261
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	50,340,644	62,100,261

B. Use of Estimates
In preparing the financial statements in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

- 1. Short term investments are stated at amortized cost or at market value depending upon the respective investment.
- 2. Bonds
Not applicable
- 3. Common stocks are stated at market value.
- 4. Preferred stocks
Not applicable
- 5. Mortgage loans
Not applicable
- 6. Loan-backed securities
Not applicable
- 7. Investments in subsidiaries, controlled and affiliated companies
PHP records its investment in PHP Service Company, a wholly owned subsidiary licensed as a Third Party Administrator by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.
PHP records its investment in PHP Insurance Company, a wholly owned subsidiary licensed by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.
- 8. Investments in joint ventures, partnerships and limited liability companies
Not applicable
- 9. Derivatives
Not applicable
- 10. Premium deficiency reserves
Not applicable
- 11. Estimating the liabilities for losses and loss/claim adjustment expenses: Estimates on unpaid losses are based upon the plan's past experience, individual case estimates and an estimate for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. Loss/claim adjustment expenses related to claims are accrued based on estimates of expenses to process those claims.
- 12. PHP has not modified its capitalization from the prior period.
- 13. Estimating pharmaceutical rebate receivables: Estimates on pharmaceutical rebate receivables are based on historical per member data for periods in which the rebates have been substantially received. This estimate is applied to periods in which future balances are expected, reduced by receipts to-date.

D. Going Concern
The principle conditions of our current environment that would raise doubt as to the ability of the plan to continue as a going concern would include the variability and uncertainty of the current health care marketplace. While potentially significant, Management has developed plans to alleviate the potential for going concern by reviewing budgeted trends for the Health System as well as Physicians Health Plan for 2018, diversification of the products we offer on and off the marketplace, and proper underwriting for new and renewing membership.

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

NOTE 2
Accounting Changes and Corrections of Errors

As a result of the merger of Physicians Health plan with Sparrow PHP effective April 30, 2017 prior period balances for 2016 and 2015 have been restated to include Sparrow PHP to be comparative.

NOTE 3
Business Combinations and Goodwill

B. Statutory Merger
PHP merged with Sparrow PHP on April 30, 2017. The transaction was accounted for as a statutory merger. Sparrow PHP was formerly a wholly owned subsidiary of PHP, licensed as a Health Maintenance Organization (HMO) by the state of Michigan. Pre-merger separate company revenue, net income(loss), and other surplus adjustments for the four months ended 4/30/17 were \$64.3 million, \$249,000, and \$2.9 million respectively for PHP, and \$0, (\$35,000), and \$386,000 respectively for Sparrow PHP.

NOTE 4
Discontinued Operations

Not Applicable

NOTE 5
Investments

A-J. Not Applicable

L.Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown			0		0	0.000	0.000
b. Collateral held under security lending agreements			0		0	0.000	0.000
c. Subject to repurchase agreements			0		0	0.000	0.000
d. Subject to reverse repurchase agreements			0		0	0.000	0.000
e. Subject to dollar repurchase agreements			0		0	0.000	0.000
f. Subject to dollar reverse repurchase agreements			0		0	0.000	0.000
g. Placed under option contracts			0		0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			0		0	0.000	0.000
i. FHLB capital stock			0		0	0.000	0.000
j. On deposit with states	1,162,039	2,302,284	(1,140,245)		1,162,039	1.269	1.392
k. On deposit with other regulatory bodies			0		0	0.000	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements)			0		0	0.000	0.000
m. Pledged as collateral not captured in other categories			0		0	0.000	0.000
n. Other restricted assets			0		0	0.000	0.000
o. Total Restricted Assets	1,162,039	2,302,284	(1,140,245)	0	1,162,039	1.269	1.392

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)
Not Applicable

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)
Not Applicable

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements
Not Applicable

I-R. Not Applicable

NOTE 6
Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

NOTE 7
Investments Income

A. Accrued Investment Income
The Company does not admit investment income due and accrued if amounts are over 90 days past due.

B. Amounts Nonadmitted
Not applicable.

NOTE 8
Derivatives Instruments

Not Applicable

NOTE 9
Income Taxes

PHP is exempt from income taxes under Section 501 (c) (4) of the Internal Revenue Code.

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

NOTE 10
Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

A, B, C, D, E, F, G

PHP is a controlled entity of Sparrow Health System (SHS). Certain administrative expenses such as payroll are processed under a centralized Sparrow system. The financial statements have been prepared from separate records maintained by Sparrow, with certain expense items representing allocations from Sparrow. PHP paid a dividend to its sole shareholder, Sparrow Health System, on July 31, 2017 totaling \$20 million.

PHP has a contract with Physicians Health Network (PHN). PHP members obtain medical services from PHN.

PHP Insurance Company (PHP IC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP IC for services which apply directly to PHP IC.

PHP Service Company (PHP SC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP SC for services which apply directly to PHP SC.

Name of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Management Agreements and Service Contacts
Physicians Health Network		\$157,489,577
Physicians Health Plan	(\$20,000,000)	(\$163,877,992)
PHP Service Company		(\$947,469)
PHP Insurance Company		(\$2,876,777)
Sparrow Health System	\$20,000,000	\$10,212,660

H . Amount Deducted for Investment in Upstream Company

Not Applicable

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

Detail of investment in PHP Insurance Company as of December 31, 2017 and 2016 is as follows:

Summary of Balance Sheets (Statutory-Basis)			Summary of Statements of Operation (Statutory-Basis)		
(in thousands)			(in thousands)		
	2017	2016		2017	2016
Cash and investments	15,657	15,012	Revenues	29,683	35,704
Other assets	726	1,204	Expenses	(27,444)	(32,067)
Total admitted assets	16,383	16,216	Investment income (loss)	101	24
			Income tax expense	(1,114)	(764)
			Net income	1,225	2,897
Claims unpaid	2,575	2,850			
Other liabilities	1,105	1,805			
Capital and surplus	12,703	11,561			
Total liabilities and equity	16,383	16,216			

J. Writedowns for Impairment of Investments in Affiliates
Not Applicable

K. Foreign Subsidiary Valued Using CARVM
Not Applicable

L. Downstream Holding Company Valued Using Look-Through Method
Not Applicable

M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
.....
Total SSAP No. 97 8a Entities	XXX	.....0	.....0	.....0
b. SSAP No. 97 8b(ii) Entities				
PHP Service Company	100.0	.....931,415	.....0	.....931,415
Total SSAP No. 97 8b(ii) Entities	XXX	.....931,415	.....0	.....931,415
c. SSAP No. 97 8b(iii) Entities				
.....
Total SSAP No. 97 8b(iii) Entities	XXX	.....0	.....0	.....0
d. SSAP No. 97 8b(iv) Entities				
.....
Total SSAP No. 97 8b(iv) Entities	XXX	.....0	.....0	.....0
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	.....931,415	.....0	.....931,415
f. Aggregate Total (a+ e)	XXX	.....931,415	.....0	.....931,415

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Fiing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resub-missi on Required Y/N	Code **
a. SSAP No. 97 8a Entities						
.....						
.....						
Total SSAP No. 97 8a Entities	XXX	XXX	..... 0	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities PHP Service Company	S1	09/15/2017	..... 0	..... Y .....	..... N .....	.....
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	..... 0	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
.....						
.....						
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	..... 0	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
.....						
.....						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	..... 0	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	..... 0	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	..... 0	XXX	XXX	XXX

* S1 - Sub-1, S2 - Sub-2 or RDF - Resubmission of Disallowed Filing

** I - Immaterial or M - Material

N. Investment in Insurance SCAs
Not Applicable

NOTE 11
Debt

Not Applicable

NOTE 12
Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Some PHP employees are covered by a noncontributory pension plan sponsored by SHS (the “Plan”). Pension benefits under the Plan are based on years of service and the employee’s compensation during the last five years of employment. The policy of the Plan is to contribute an amount equal to or at least the actuarially determined minimum funding requirement. Contributions are intended to provide for benefits attributed to service to date and for those expected to be earned in the future. Plan assets are invested primarily in equities and fixed income securities. Other PHP employees are covered by an approved 401(k) program. PHP paid \$551,000 and \$644,000 to SHS in 2017 and 2016, respectively, for their pension costs.

NOTE 13
Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

(1) Outstanding Stock

Not applicable

(2) Dividend Rate of Preferred Stock

Not applicable

(3) (4) (5) (6) Dividend Restrictions

The amount of dividends which can be paid by the state of Michigan insurance companies to shareholders without prior approval by DIFS (the Commissioner of Insurance) is subject to restrictions relating to statutory surplus. Dividends may only be paid out of the surplus earnings of the PHP. PHP paid a dividend to its sole shareholder, Sparrow Health System, on July 31, 2017 totaling \$20 million. This dividend was approved by the Michigan Department of Insurance and Financial Services with \$6,210,026 considered to be ordinary and \$13,789,974 considered extraordinary. There is currently no dividend payable as of December 31, 2017.

(7) Mutual Advances to Surplus

Not applicable

(8) Company Stock Held for Special Purposes

Not applicable

(9) Changes in Special Surplus Funds

Not applicable

(10) Changes in Unassigned Funds

Not applicable

(11) Surplus Notes

Not applicable

(12) (13) Quasi Reorganizations

Not applicable

NOTE 14
Liabilities, Contingencies and Assessments

Not Applicable

NOTE 15
Leases

Not Applicable

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

NOTE 16
Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable

NOTE 17
Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

NOTE 18
Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

NOTE 19
Direct Premium Written / Produced by Managing General Agents / Third Party Administrators

Not Applicable

NOTE 20
Fair Value Measurement

- A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value
(1) Items Measured at Fair Value by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

- Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded common stocks and mutual funds. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are therefore classified as Level 1.
- Level 2 - Significant Other Observable Inputs: This category, for items measured at fair value on a recurring basis, includes bonds which are not exchange traded and common stock of a subsidiary which is valued using an adjusted market method. The estimated fair values of some of these bonds were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded. The Company has no Level 2 assets or liabilities.
- Level 3 - Significant Unobservable Inputs: The Company has no Level 3 assets or liabilities.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Mutual Funds	26,230,090			26,230,090
Cash Equivalents	41,963,654			41,963,654
Total assets at fair value	68,193,744	0	0	68,193,744

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below.

No transfers between Levels 1 and 2 occurred during the current year.

- (2) Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

- (3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

- (4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 2 or 3 categories.

- (5) Derivative Fair Values

Not applicable.

- B. Other Fair Value Disclosures

Not applicable.

- C. Aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall.

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Mutual Funds	26,230,090	26,230,090	26,230,090			0
Cash Equivalents	41,963,654	41,963,654	41,963,654			0

- D. Not Practicable to Estimate Fair Value
Not applicable

NOTE 21
Other Items

- A. Extraordinary Items
Not applicable
- B. Troubled Debt Restructuring for Debtors
Not applicable
- C. Other Disclosures
No Significant Change
- D. Business Interruption Insurance Recoveries
Not applicable

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

E. State Transferable and Non-Transferable Tax Credits
Not applicable

F. Subprime Mortgage Related Risk Exposure
Not applicable

G. Retained Assets
Not applicable

H. Insurance-Linked Securities (ILS) Contracts
Not applicable

NOTE 22
Events Subsequent

Type II - Nonrecognized Subsequent Events:

	Current Year	Prior Year
A.Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B.ACA fee assessment payable for the upcoming year	\$ 1,614,222	\$ 0
C.ACA fee assessment paid	\$ 0	\$ 1,207,588
D.Premium written subject to ACA 9010 assessment	\$ 183,734,848	\$ 179,117,240
E.Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 50,340,644	
F.Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 48,726,422	
G.Authorized Control Level (Five-Year Historical Line 15)	\$ 9,579,834	
H.Would reporting the ACA assessment as of Dec. 31, 2016 have triggered an RBC action level (YES/NO)?	NO	

Note 23
Reinsurance

- A. Ceded Reinsurance Report

Section 1 General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 Ceded Reinsurance Report - Part A.

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credit?

Yes () No (x)

(2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsured of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 Ceded Reinsurance Report - Part B.

(1) What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$0.00

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement to include policies or contracts which were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (x)
- B. Uncollectible Reinsurance
Not Applicable
- C. Commutation of Ceded Reinsurance
Not Applicable
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation
Not Applicable

NOTE 24
Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A-C. The Company does not participate in traditional retrospectively rated contracts.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act.
Not applicable
- E. Risk Sharing Provisions of the Affordable Care Act

(1)Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)?

Yes [X] No []

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

		AMOUNT
a. Permanent ACA Risk Adjustment Program		
Assets		
1. Premium adjustments receivable due to ACA Risk Adjustment	.....	0
Liabilities		
2. Risk adjustment user fees payable for ACA Risk Adjustment	.....	15,422
3. Premium adjustments payable due to ACA Risk Adjustment	.....	9,696,000
Operations (Revenue & Expense)		
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	.....	9,696,000
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	.....	15,422
b. Transitional ACA Reinsurance Program		
Assets		
1. Amounts recoverable for claims paid due to ACA Reinsurance	.....	0
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	.....	0
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	.....	0
Liabilities		
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	.....	0
5. Ceded reinsurance premiums payable due to ACA Reinsurance	.....	0
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	.....	0
Operations (Revenue & Expense)		
7. Ceded reinsurance premiums due to ACA Reinsurance	.....	0
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	.....	0
9. ACA Reinsurance contributions – not reported as ceded premium	.....	0
c. Temporary ACA Risk Corridors Program		
Assets		
1. Accrued retrospective premium due to ACA Risk Corridors	.....	0
Liabilities		
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	.....	0
Operations (Revenue & Expense)		
3. Effect of ACA Risk Corridors on net premium income (paid/received)	.....	0
4. Effect of ACA Risk Corridors on change in reserves for rate credits	.....	0

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Ref	Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable					0	0			A	0	0
2. Premium adjustments (payable)		3,534,252		4,339,815	0	(805,563)		805,563	B	0	0
3. Subtotal ACA Permanent Risk Adjustment Program	0	3,534,252	0	4,339,815	0	(805,563)	0	805,563		0	0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	123,019		188,284		(65,265)	0	65,265		C	0	0
2. Amounts recoverable for claims unpaid (contra liability)					0	0			D	0	0
3. Amounts receivable relating to uninsured plans					0	0			E	0	0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium					0	0			F	0	0
5. Ceded reinsurance premiums payable					0	0			G	0	0
6. Liability for amounts held under uninsured plans					0	0			H	0	0
7. Subtotal ACA Transitional Reinsurance Program	123,019	0	188,284	0	(65,265)	0	65,265	0		0	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium					0	0			I	0	0
2. Reserve for rate credits or policy experience rating refunds					0	0			J	0	0
3. Subtotal ACA Risk Corridors Program	0	0	0	0	0	0	0	0		0	0
d. Total for ACA Risk Sharing Provisions	123,019	3,534,252	188,284	4,339,815	(65,265)	(805,563)	65,265	805,563		0	0

Explanations of Adjustments

- A.
- B.
- Adjustment to actual 2016 Risk Adjustment Liability per the final notice issued June 2017.
- C.
- Adjustment to actual 2016 Transitional Reinsurance receivable per the final notice issued June 2017.
- D.

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

E.

F.

G.

H.

I.

J.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
					5	6	7	8		9	10
	1 Receivable	2 (Payable)	3 Receivable	4 (Payable)	5 Receivable	6 (Payable)	7 Receivable	8 (Payable)	Ref	9 Receivable	10 (Payable)
a. 2014											
1. Accrued retrospective premium					0	0			A	0	0
2. Reserve for rate credits or policy experience rating refunds					0	0			B	0	0
b. 2015											
1. Accrued retrospective premium					0	0			C	0	0
2. Reserve for rate credits or policy experience rating refunds					0	0			D	0	0
c. 2016											
1. Accrued retrospective premium					0	0			E	0	0
2. Reserve for rate credits or policy experience rating refunds					0	0			F	0	0
d. Total for Risk Corridors	0	0	0	0	0	0	0	0		0	0

Explanations of Adjustments

A.

B.

C.

D.

E.

F.

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4 - 5)
a. 2014				0		0
b. 2015				0		0
c. 2016				0		0
d. Total (a + b + c)	0	0	0	0	0	0

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

Note 25

Change in Incurred Claims and Claim Adjustment Expenses

- A. Reserves as of December 31, 2016 were \$16.3 million. As of December 31, 2017, \$13.2 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$82,000 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been favorable prior-year development of approximately \$3.0 million since December 31, 2016 to December 31, 2017. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates increase or decrease, as additional information becomes known regarding individual claims.
- B. Not Applicable

Note 26

Intercompany Pooling Arrangements

Not Applicable

Note 27

Structured Settlements

Not Applicable

STATEMENT AS OF December 31, 2017 OF THE PHYSICIANS HEALTH PLAN

NOTE 28
Health Care Receivables

A. Healthcare receivables include pharmacy rebates PHP receives from third party vendors. These rebates are calculated using estimates based on per claim guarantee calculations, historical rebate trends and membership. Activity for the previous three years is summarized as follows:

Date	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2017	1262	1262	0	0	0
9/30/2017	1330	1330	0	0	0
6/30/2017	1303	1303	0	592	0
3/31/2017	1288	1288	0	474	814
12/31/2016	1193	1193	861	224	0
9/30/2016	1133	1133	1030	76	2
6/30/2016	1157	1157	921	131	15
3/31/2016	1318	1318	0	1087	73
12/31/2015	671	671	300	742	18
9/30/2015	669	669	282	30	764
6/30/2015	647	647	0	402	611
3/31/2015	597	597	0	276	563

B. Risk-Sharing Receivables
Not applicable

Note 29
Participating Policies

Not Applicable

Note 30
Premium Deficiency Reserves

Not Applicable

Note 31
Anticipated Salvage and Subrogation

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Michigan

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/06/2016

3.4

By what department or departments?
Michigan Department of Insurance and Financial Services

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [X] No []

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
Sparrow PHP	11537	MI

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control;
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

0.0 %

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

ERNST & YOUNG LLP, SUITE 1000, ONE KENNEDY SQUARE, 777 WOODWARD AVENUE, DETROIT, MI 48226
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Erik C. Huth, FSA, MAAA, Brookfield, WI (Milliman)
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved

0
- 12.13

Total book/adjusted carrying value

\$ 0
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

None
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [X] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No [X]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A [X]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.
- Yes [] No [X]

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?
- Yes [X] No []
- Yes [X] No []
- Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers
- 20.12 To stockholders not officers
- 20.13 Trustees, supreme or grand (Fraternal Only)
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers
- 20.22 To stockholders not officers
- 20.23 Trustees, supreme or grand (Fraternal Only)
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others
- 21.22 Borrowed from others
- 21.23 Leased from others
- 21.24 Other
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment
- 22.22 Amount paid as expenses
- 22.23 Other amounts paid
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes [] No [X]
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- \$ 0
- Yes [] No [X]
- \$ 0
- \$ 0
- \$ 0
- Yes [X] No []
- \$ 0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
- 24.02 If no, give full and complete information relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?
- Yes [X] No []
-
-
- Yes [] No [] N/A [X]
- \$ 0
- \$ 0
- Yes [] No [] N/A [X]
- Yes [] No [] N/A [X]
- Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	0
		25.22 Subject to reverse repurchase agreements	\$	0
		25.23 Subject to dollar repurchase agreements	\$	0
		25.24 Subject to reverse dollar repurchase agreements	\$	0
		25.25 Placed under option agreements	\$	0
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	0
		25.27 FHLB Capital Stock	\$	0
		25.28 On deposit with states	\$	1,162,039
		25.29 On deposit with other regulatory bodies	\$	0
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	0
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	0
		25.32 Other	\$	0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BNY Mellon	One mellon Center, Pittsburgh, PA 15259-0001

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1	2
Name of Firm or Individual	Affiliation
SEI	U.....
.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
105146	SEI Investment Mgt Corp. ....	.....	SEC	DS.....
.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
		Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund		
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	0	0	0
30.2 Preferred stocks	0	0	0
30.3 Totals	0	0	0

30.4 Describe the sources or methods utilized in determining the fair values:

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements of each self-designated 5*GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5*GI securities? Yes [] No [X]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$149,477

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Health Plan Alliance	38,447
Michigan Association of Health Plans	62,260
.....	

35.1 Amount of payments for legal expenses, if any?\$196

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Foster Swift Collins & Smith	196
.....	

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

182,440,224

178,634,041

2.2

Premium Denominator

182,440,224

178,634,041

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

16,548,223

16,717,473

2.5

Reserve Denominator

16,548,223

16,717,473

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 500,000

5.32

Medical Only

\$ 0

5.33

Medicare Supplement

\$ 0

5.34

Dental & Vision

\$ 0

5.35

Other Limited Benefit Plan

\$ 0

5.36

Other

\$ 0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
None

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?.....

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

4,077

8.2

Number of providers at end of reporting year

4,344

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months...

\$ 0

9.22

Business with rate guarantees over 36 months

\$ 0

28

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [] No [X]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$ 0

10.22

Amount actually paid for year bonuses

\$ 0

10.23

Maximum amount payable withholds

\$ 0

10.24

Amount actually paid for year withholds

\$ 0

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [] No [X]

11.13

An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14

A Mixed Model (combination of above)?

Yes [] No [X]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []

11.3

If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4

If yes, show the amount required.

\$ 18,061,090

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6

If the amount is calculated, show the calculation

N/A

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
State of Michigan

13.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$ 0

13.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4

If yes, please provide the balance of funds administered as of the reporting date.

\$ 0

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [] No [] N/A [X]

14.2

If the answer to 14.1 is yes, please provide the following:

1	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
Company Name						

15.

Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1

Direct Premium Written

\$ 0

15.2

Total Incurred Claims

\$ 0

15.3

Number of Covered Lives

0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	83,474,672	91,915,085	96,478,191	86,287,527	83,161,867
2. Total liabilities (Page 3, Line 24)	33,134,027	29,814,824	35,722,632	26,452,410	24,956,453
3. Statutory minimum capital and surplus requirement	18,061,090	22,655,821	29,446,241	24,354,072	0
4. Total capital and surplus (Page 3, Line 33)	50,340,644	62,100,261	60,755,559	59,835,118	58,205,414
Income Statement (Page 4)					
5. Total revenues (Line 8)	182,440,224	178,634,041	251,797,195	157,878,886	195,271,425
6. Total medical and hospital expenses (Line 18)	157,466,994	158,323,537	219,571,729	139,753,126	178,892,609
7. Claims adjustment expenses (Line 20)	5,106,806	5,482,481	8,178,054	4,351,792	3,791,978
8. Total administrative expenses (Line 21)	15,908,857	17,381,746	26,871,793	13,556,818	11,812,868
9. Net underwriting gain (loss) (Line 24)	3,957,567	(2,553,723)	(2,824,380)	217,151	773,970
10. Net investment gain (loss) (Line 27)	5,345,954	1,850,355	3,211,804	2,646,490	2,250,206
11. Total other income (Lines 28 plus 29)	(4,193)	0	2,975,000	0	0
12. Net income or (loss) (Line 32)	9,299,327	(703,368)	3,362,424	2,863,640	3,024,176
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	4,920,340	(9,064,747)	(2,239,039)	4,812,313	8,627,908
Risk-Based Capital Analysis					
14. Total adjusted capital	50,340,644	62,100,261	60,755,560	59,885,224	58,205,414
15. Authorized control level risk-based capital	9,579,834	11,170,434	14,723,138	12,177,036	12,081,121
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	34,779	36,158	55,556	30,136	31,901
17. Total members months (Column 6, Line 7)	444,858	434,859	651,096	369,118	405,089
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	86.3	88.6	87.2	88.4	109.6
20. Cost containment expenses	1.9	2.1	2.4	1.9	1.6
21. Other claims adjustment expenses	0.9	1.0	0.9	0.9	0.7
22. Total underwriting deductions (Line 23)	97.8	101.4	101.1	99.7	119.2
23. Total underwriting gain (loss) (Line 24)	2.2	(1.4)	(1.1)	0.1	0.5
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	10,352,417	17,845,213	19,130,963	13,496,903	19,438,260
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	13,424,230	19,423,417	22,306,189	17,420,491	23,084,765
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	13,634,087	12,006,503	8,660,087	8,777,344	8,702,138
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	8,494,340	7,727,980
32. Total of above Lines 26 to 31	13,634,087	12,006,503	8,660,087	17,271,684	16,430,118
33. Total investment in parent included in Lines 26 to 31 above.	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [X] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE Physicians Health Plan

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
States, etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N	0	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0	0
23. Michigan	MI	L	183,734,848	0	0	0	0	183,734,848	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	183,734,848	0	0	0	0	0	183,734,848	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	0
61. Total (Direct Business)	(a) 1	183,734,848	0	0	0	0	0	183,734,848	0	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

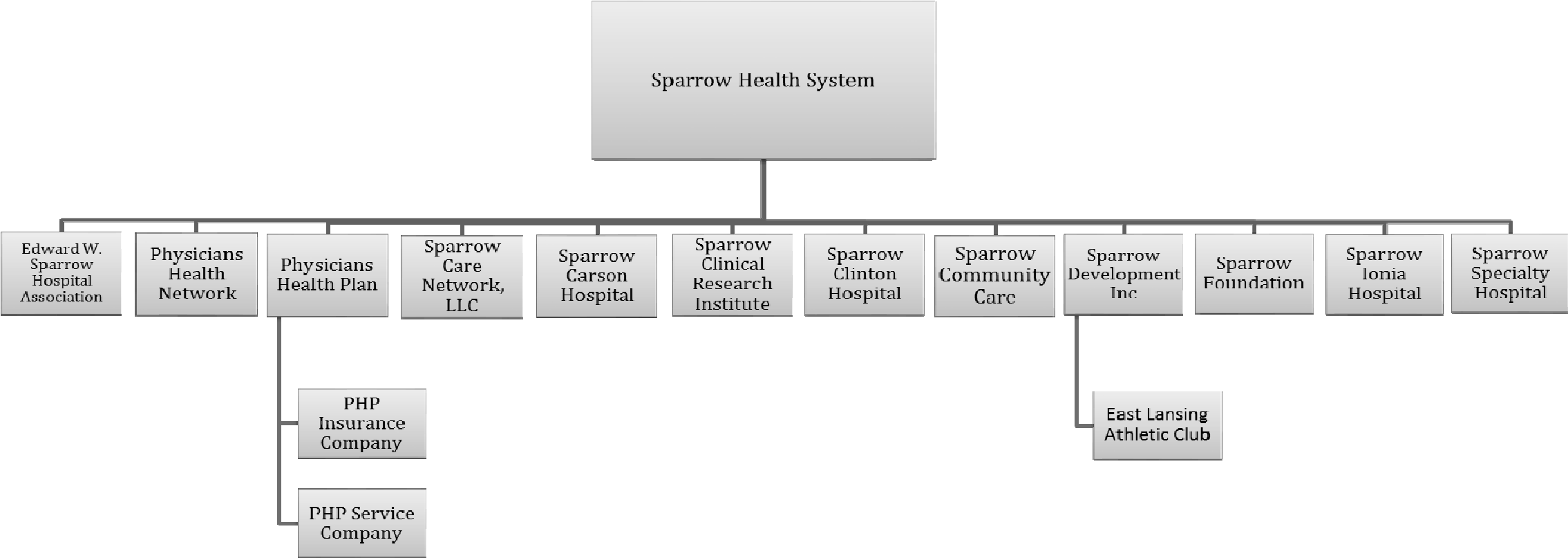
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

Membership

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

NONE

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business 7

Assets 2

Cash Flow 6

Exhibit 1 - Enrollment By Product Type for Health Business Only 17

Exhibit 2 - Accident and Health Premiums Due and Unpaid 18

Exhibit 3 - Health Care Receivables 19

Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued 20

Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus 21

Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates 22

Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates 23

Exhibit 7 - Part 1 - Summary of Transactions With Providers 24

Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries 24

Exhibit 8 - Furniture, Equipment and Supplies Owned 25

Exhibit of Capital Gains (Losses) 15

Exhibit of Net Investment Income 15

Exhibit of Nonadmitted Assets 16

Exhibit of Premiums, Enrollment and Utilization (State Page) 30

Five-Year Historical Data 29

General Interrogatories 27

Jurat Page 1

Liabilities, Capital and Surplus 3

Notes To Financial Statements 26

Overflow Page For Write-ins 44

Schedule A - Part 1 E01

Schedule A - Part 2 E02

Schedule A - Part 3 E03

Schedule A - Verification Between Years SI02

Schedule B - Part 1 E04

Schedule B - Part 2 E05

Schedule B - Part 3 E06

Schedule B - Verification Between Years SI02

Schedule BA - Part 1 E07

Schedule BA - Part 2 E08

Schedule BA - Part 3 E09

Schedule BA - Verification Between Years SI03

Schedule D - Part 1 E10

Schedule D - Part 1A - Section 1 SI05

Schedule D - Part 1A - Section 2 SI08

Schedule D - Part 2 - Section 1 E11

Schedule D - Part 2 - Section 2 E12

Schedule D - Part 3 E13

Schedule D - Part 4 E14

Schedule D - Part 5 E15

Schedule D - Part 6 - Section 1 E16

Schedule D - Part 6 - Section 2 E16

Schedule D - Summary By Country SI04

Schedule D - Verification Between Years SI03

Schedule DA - Part 1 E17

Schedule DA - Verification Between Years SI10

Schedule DB - Part A - Section 1 E18

Schedule DB - Part A - Section 2 E19

Schedule DB - Part A - Verification Between Years SI11

Schedule DB - Part B - Section 1 E20

Schedule DB - Part B - Section 2 E21

Schedule DB - Part B - Verification Between Years SI11

Schedule DB - Part C - Section 1 SI12

Schedule DB - Part C - Section 2 SI13

Schedule DB - Part D - Section 1 E22

Schedule DB - Part D - Section 2 E23

Schedule DB - Verification SI14

Schedule DL - Part 1 E24

Schedule DL - Part 2 E25

Schedule E - Part 1 - Cash E26

Schedule E - Part 2 - Cash Equivalents E27

Schedule E - Part 3 - Special Deposits E28

Schedule E - Verification Between Years SI15

ANNUAL STATEMENT BLANK (Continued)

Schedule S - Part 1 - Section 2 31

Schedule S - Part 2 32

Schedule S - Part 3 - Section 2 33

Schedule S - Part 4 34

Schedule S - Part 5 35

Schedule S - Part 6..... 36

Schedule S - Part 7..... 37

Schedule T - Part 2 - Interstate Compact 39

Schedule T - Premiums and Other Considerations 38

Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group 40

Schedule Y - Part 1A - Detail of Insurance Holding Company System 41

Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates 42

Statement of Revenue and Expenses 4

Summary Investment Schedule SI01

Supplemental Exhibits and Schedules Interrogatories 43

Underwriting and Investment Exhibit - Part 1 8

Underwriting and Investment Exhibit - Part 2 9

Underwriting and Investment Exhibit - Part 2A 10

Underwriting and Investment Exhibit - Part 2B 11

Underwriting and Investment Exhibit - Part 2C 12

Underwriting and Investment Exhibit - Part 2D 13

Underwriting and Investment Exhibit - Part 3 14